

## **Setting the Record Straight: The Truth About Charter School Misconceptions**

**Charter School Truth #1: The charter school funding formula is flawed and must be revised. The amount of regular and special education tuition paid to the cyber or charter school by the student's resident school district fails to consider actual costs.**

The law creates a formula paying the charter schools based on a school district's expenditures and is not tied to the actual costs of providing an education at the charter or cyber charter school. *This results in varying tuition rates for the identical education opportunity at the same charter school. Further, the special education funding formula does not account for differences in special education populations and does not consider the needs of the special needs students attending the charter or cyber charter schools.* A review of school district tuition rates for the 2010-11 school year found that non-special education tuition rates per student ranged from \$4,478 to \$16,915. These tuition inequities are never resolved because charter schools do not reconcile tuition payments with actual costs at year-end and return overages to the resident school district, nor does the law limit charter school general fund reserves.

**Charter School Truth #2: The current charter and cyber charter school funding formula allows profiteering.**

School districts are required to pass through to charter schools an amount equal to the average cost for all disabled students, including mildly, moderately and severely disabled students. If special needs students transferring to a charter schools are only mildly disabled, the cost of educating them is much less than the cost of educating moderately or severely disabled students.

Additionally, school districts are required to include their federal Title I expenditures in calculating their payment to a charter school, regardless of the Title I eligibility or lack of eligibility of the charter school's students. This is fully inconsistent with federal Title I law, which stipulates that only schools with sufficient numbers of low-income students are eligible for Title I funds. The law includes the costs of day care, Head Start, and nonpublic school health services in the formula under which school districts pay charter schools, even if charters do not provide these services.

**Charter School Truth #3: School districts do not save money when students transfer to charter schools.**

When students attend charter schools, districts' fixed costs remain because they are unable to reduce teacher staff, building space or materials, or transportation. Charter and cyber charter school students do not leave in convenient groups allowing district expenditures to be reduced. Many of the students who choose to attend cyber and charter schools may have previously been home-schooled or enrolled in non-public and private schools, representing an entirely new expense for school districts.

**Charter School Truth #4: All school districts are impacted by charter and cyber charter schools expenses -- this is not limited to Philadelphia.**

Charter school costs affect every school district in the state, and every district has made a payout to a charter school(s). In 2009-10, school districts paid \$795 million to charter schools with only about \$227 million reimbursed to them. Beginning in 2011-12, 100% of school districts do not receive charter school reimbursement payments.

**Charter Schools Truth #5: Charter schools have higher administrative expenses than district-run schools.**

The average annual administrative expenditure per student is much higher in a charter school than a district-led public school -- \$1,506 for a charter school compared to \$792 for a district-led public school.

**Charter School Truth #6: The Commonwealth's direct pay for charter and cyber charter school tuition does not relieve school districts of the financial burden for those costs.**

It has been suggested that school districts will be relieved of the financial burden if the money goes directly from the state to the charter school. Nothing could be further from the truth; the fact is that *funds given in a direct payment from PDE are simply deducted from the subsidy of the school district and shifted to the charter school.* Additionally, the school code requires enrollment documentation, including proof of residency, but there is no requirement that it be transmitted with the charter/cyber school enrollment notification form. This makes it difficult for districts to verify a student's residency prior to making tuition payments. No tuition should be required from a resident school district until the child's attendance record and completion of required work assignments are satisfactory.

**Charter Schools Truth #7: Overall, charter schools and cyber charter schools do not outperform district-led schools in student academic performance.**

There is a mistaken assumption that charter schools will help children coming from failing traditional public schools to succeed academically. There is no truth this; in fact, Pennsylvania's charter school performance is a mixed record and many are underperforming. The Center for Research on Educational Outcomes (CREDO) at Stanford University issued a report in April 2011 showing that students in Pennsylvania charter schools make smaller learning gains compared to their peers in traditional public schools. Additionally, students in traditional public schools are outpacing their peers in charter schools on the PSSA, as 94% of school districts (467 out of 499) made AYP in 2010-11, while only 60% of charter schools (86 of 142), and only 17% of cyber charter schools (only 2 of 12) met AYP last year. Until we ensure that charter schools are performing well academically and providing their students with a quality education, we should not expand the role of charter schools in public education.

**Charter Schools Truth #8: Creating a statewide authorizer or multiple authorizers for charter and cyber charter schools will lead to serious problems with funding and oversight. Further, researchers have seen no improvement in increased student achievement when there are multiple charter authorizers.**

Expanding the structure now used with cyber schools for bricks and mortar charter schools will only exacerbate the funding problems. Creating a new statewide authorizer(s) to approve the opening or expansion of charter schools without the approval or consent of local school officials

or taxpayers completely undermines Pennsylvania's tradition of local control and expands charters without involvement from local voters yet requires them to pay the bill.

Based on the current cyber charter system for approval, there is no evidence to suggest that a statewide authorizer will do anything to increase student achievement. At the national level, a study conducted by the Center for Research on Educational Outcomes (CREDO) found that there is no research to demonstrate that multiple authorizers improve student achievement. In fact, the study found that charter schools in states that allow multiple authorizers had the weakest student achievement results compared to that of traditional public schools.

In addition, it is erroneous to assume that school boards will refuse to authorize charter schools, especially if the charters meet local needs and standards of quality. School districts are responsible charter school authorizers. As long as local taxpayer dollars are taken from school district subsidies to fund charter schools, local control is essential to ensure that charter schools are accountable and responsive to the taxpayers in their communities.